

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 18-05

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m. on May 18, 2018, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

Ms. Copper presided as Chair and called the meeting to order.

Ms. Enright took a visual roll.

Present: Thompson, Williams, Copper, Henry, Kuehne, Miller, Stanish, Wallace
Absent: None

Ms. Becker-Wold and Mr. Ball from Callan Associates, Messrs. Murphy, Buis and Pieterse from Gabriel Roeder Smith & Company, and a representative from Loop Capital were also present.

(18-05-01) (Public Comments) An attorney representing retirees of the Champaign Park District was present to discuss a hearing officer decision regarding Champaign Park District.

(18-05-02) (Gabriel, Roeder Smith & Company 2016 Actuarial Valuation and Gain (Loss) Analysis) Messrs. Murphy, Buis and Pieterse from Gabriel Roeder Smith & company presented IMRF's Annual Actuarial Valuation as of December 31, 2017, and IMRF's Gain/Loss Analysis as presented below.

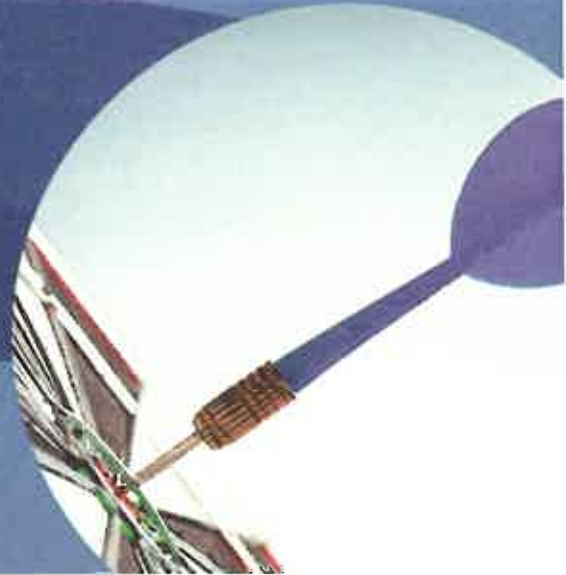


Illinois Municipal Retirement Fund

Annual Actuarial Valuation and
Gain (Loss) Analysis
December 31, 2017

May 18, 2018

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ANNUAL ACTUARIAL VALUATION



Purpose

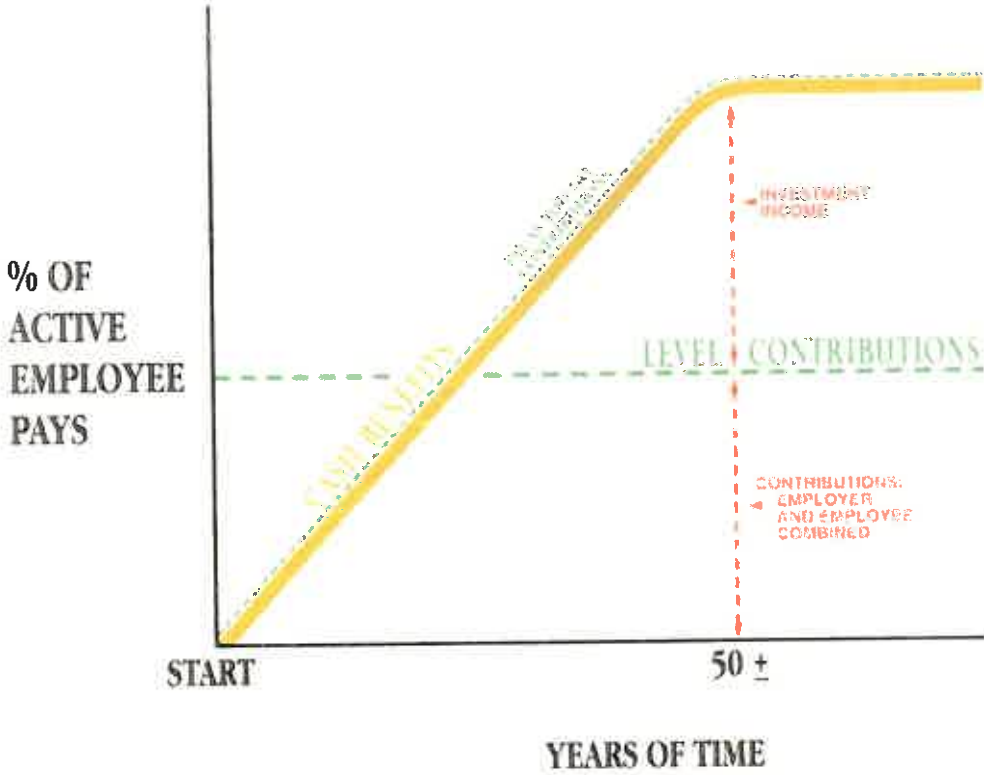
- Calculate employer rates for 3,329 rate groups for the 2019 calendar year
- Measure financial position and funding progress
- Explain changes in financial position that occurred during the year

Basic Funding Objective

Establish and receive contributions which:

- Remain approximately level (as a % of payroll) from generation to generation
- When combined with present assets and future investment return, are sufficient to pay benefits to current and future retirees

Financing Diagram



Valuation Uses Data On

- People
- Plan Benefits
- Employers
- Assets

IMRF Population

	<u>2017</u>	<u>2016</u>
Active Members		
• Tier 1	110,453	117,962
• Tier 2	<u>65,113</u>	<u>56,873</u>
• Total	175,566	174,835
Retirees	127,070	122,086
Inactive Members	<u>136,385</u>	<u>132,213</u>
Total	439,021	429,134



IMRF Population

	<u>2017</u>	<u>2016</u>
Active Members		
• Regular	171,311	170,527
• SLEP	4,120	4,143
• ECO	135	165
Total	<u>175,566</u>	<u>174,835</u>
Inactive Members		
• Regular	135,522	131,385
• SLEP	753	699
• ECO	110	129
Total	<u>136,385</u>	<u>132,213</u>

IMRF Employers 12/31/2017

School Districts	850
Townships	494
Other	500
Villages	480
Cities	308
Counties (Regular, SLEP & ECO)	269
Library Districts	226
Park Districts	<u>202</u>
Total	3,329
Employers with no Active Members	<u>452</u>
Total	3,781



Value of Assets (\$ Millions)

	<u>2017</u>	<u>2016</u>
Funding Value (FV)	\$39,188	\$36,773
Market Value (MV)	\$41,313	\$36,447
Ratio	94.9%	100.9%
Difference between FV and MV	\$ 2,125	\$ (326)
Market Value Rate of Return	15.7%	7.6%
Funding Value Rate of Return	8.8%	7.2%

Development of Average Contribution Rates Applicable to Calendar Year 2019

(Results as of December 31, 2017)

	% of Active Member Pays		
	Regular	SLEP	ECO
Tier 1 Employer Normal Cost	6.34 %	11.99 %	13.21 %
Tier 2 Employer Normal Cost	3.71 %	7.74 %	13.21 %
Average Employer Contributions for Normal Cost*			
Retirement	5.54 %	10.86 %	12.91 %
\$3,000 Lump Sum Death Benefit	0.03 %	0.02 %	0.04 %
Total & Permanent Disability Benefit	0.04 %	0.10 %	0.26 %
Total Normal Cost	5.61 %	10.98 %	13.21 %
Lump Sum Death-in-Service Benefits	0.09 %	0.09 %	0.11 %
Temporary Disability	0.08 %	0.08 %	0.08 %
13th Payments	0.62 %	0.62 %	0.62 %
Unfunded (Overfunded) Liabilities (24/10 years)	2.47 %	6.55 %	52.41 %
Early Retirement Incentive Liabilities	0.19 %	0.11 %	0.00 %
SLEP Supplemental Liabilities	0.00 %	2.07 %	0.00 %
Total Average Employer Rate	9.06 %	20.50 %	66.43 %
Prior Year Averages	11.24 %	21.49 %	82.72 %

* Average of Tier 1 and Tier 2 cost weighted on expected payroll.

^ 10 years for instrumentalities.

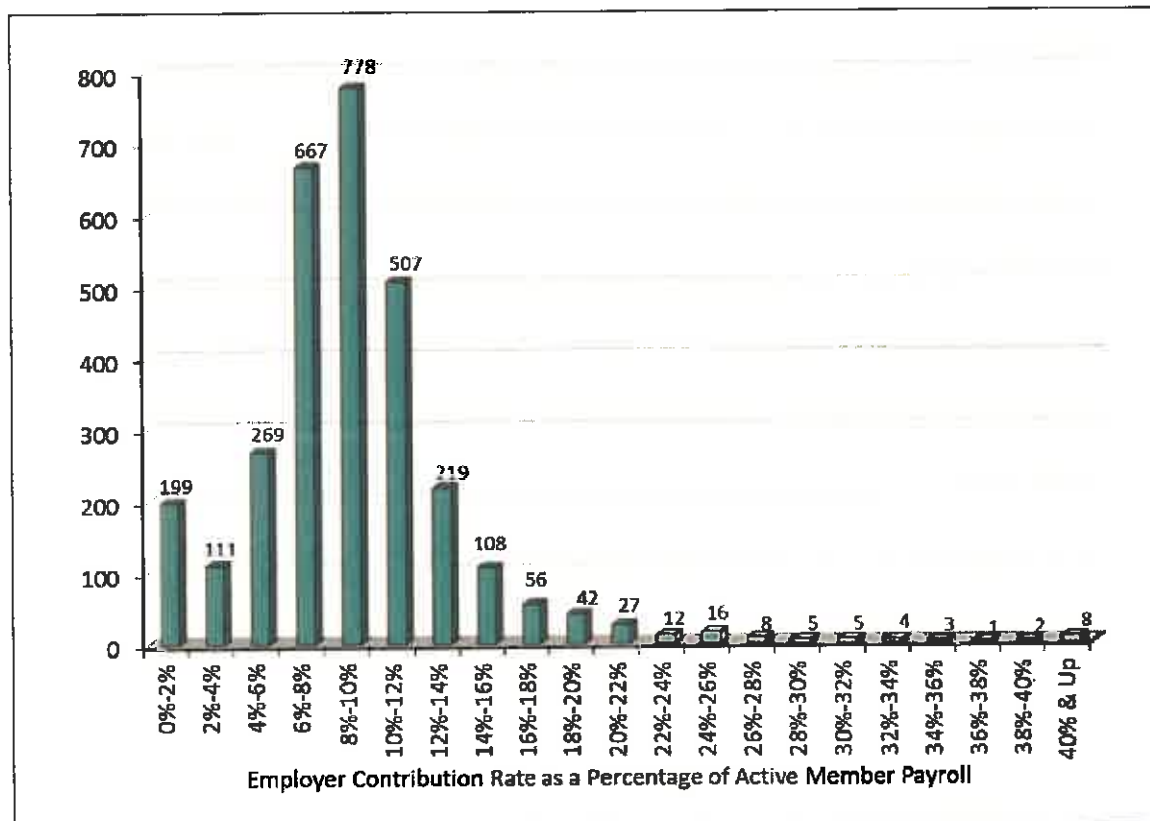
Dupage County, Peoria County and Union School District 46 subject to individual rating.



History of Total Average Employer Contribution Rates

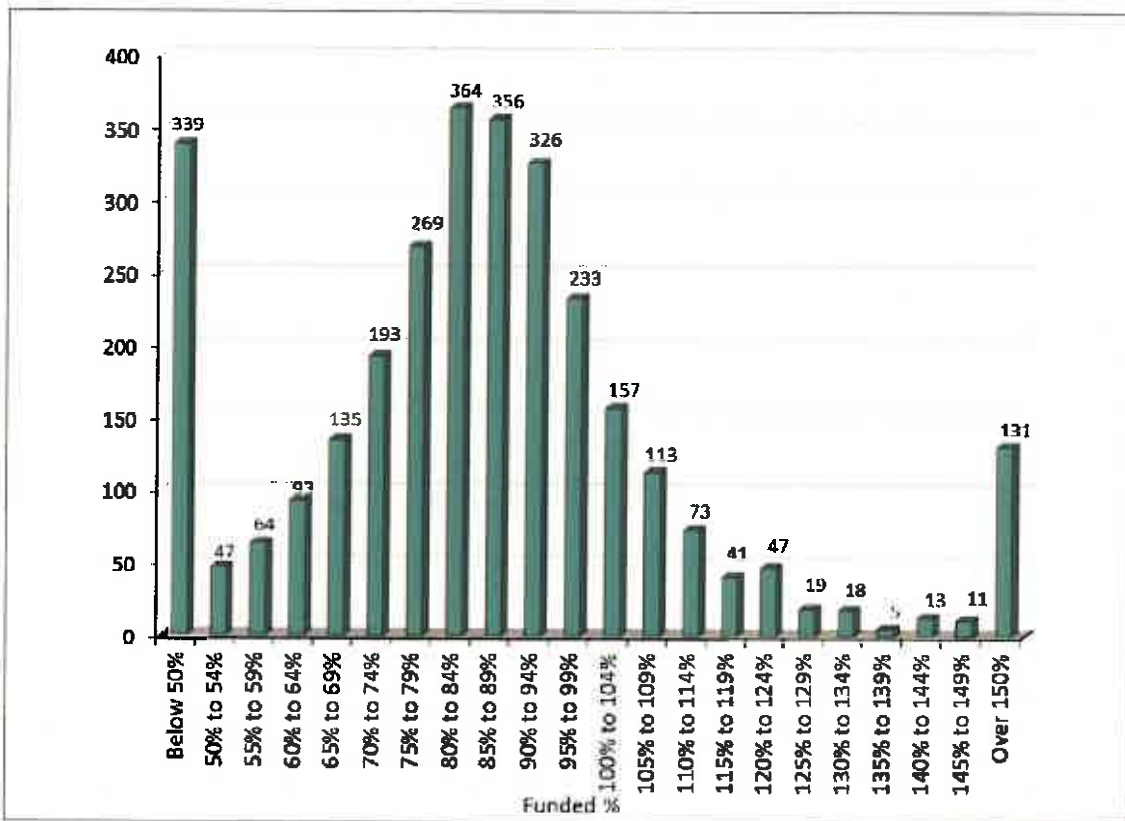
Rate Applies to Calendar Year	Rate Computed as of December 31	Employer Contribution Rate Expressed as % of Active Member Payroll					
		Regular Members		SLEP Members		ECO Members	
		Normal Cost	Average Total Rate	Normal Cost	Average Total Rate	Normal Cost	Average Total Rate
1995	1993	7.22%	10.19%	9.50%	12.00%		
1996	1994	7.22%	9.98%	9.51%	11.97%		
1997	1995	7.27%	9.61%	9.32%	11.43%		
1998	1996	7.21%	9.64%	10.22%	13.94%		
1999	1997	7.23%	9.03%	10.62%	14.65%	21.48%	36.14%
2000	1998	7.17%	8.16%	10.42%	14.28%	23.39%	41.38%
2001	1999	7.41%	6.64%	12.02%	14.86%	23.85%	42.58%
2002	2000	7.62%	5.87%	11.94%	14.13%	18.05%	38.46%
2003	2001	7.66%	6.22%	11.96%	14.04%	17.95%	40.37%
2004	2002	7.60%	7.82%	12.47%	16.29%	18.18%	44.90%
2005	2003	7.61%	9.25%	12.48%	17.15%	18.07%	42.66%
2006	2004	7.64%	10.04%	12.56%	18.25%	18.01%	44.90%
2007	2005	7.43%	9.72%	11.66%	18.42%	17.52%	41.30%
2008	2006	7.42%	9.47%	11.63%	19.33%	16.96%	41.80%
2009	2007	7.42%	9.27%	11.63%	18.65%	17.08%	42.77%
2010	2008	7.58%	11.89%	11.97%	21.63%	17.24%	43.57%
2011	2009	7.58%	12.14%	11.97%	21.76%	17.20%	42.72%
2012	2010	7.58%	12.42%	12.01%	22.48%	17.22%	47.15%
2013	2011	7.77%	12.85%	12.74%	23.40%	17.63%	46.85%
2014	2012	7.64%	12.58%	12.61%	23.20%	17.59%	74.52%
2015	2013	7.51%	11.69%	12.42%	22.33%	17.73%	70.37%
2016	2014	6.84%	11.73%	11.95%	22.71%	16.49%	86.07%
2017	2015	6.71%	11.34%	11.77%	22.39%	16.83%	73.50%
2018	2016	6.61%	11.24%	11.63%	21.49%	16.85%	82.72%
2019	2017	5.61%	9.06%	10.98%	20.50%	13.21%	66.43%

Contribution Rates for Employer Groups 2017 Actuarial Valuation



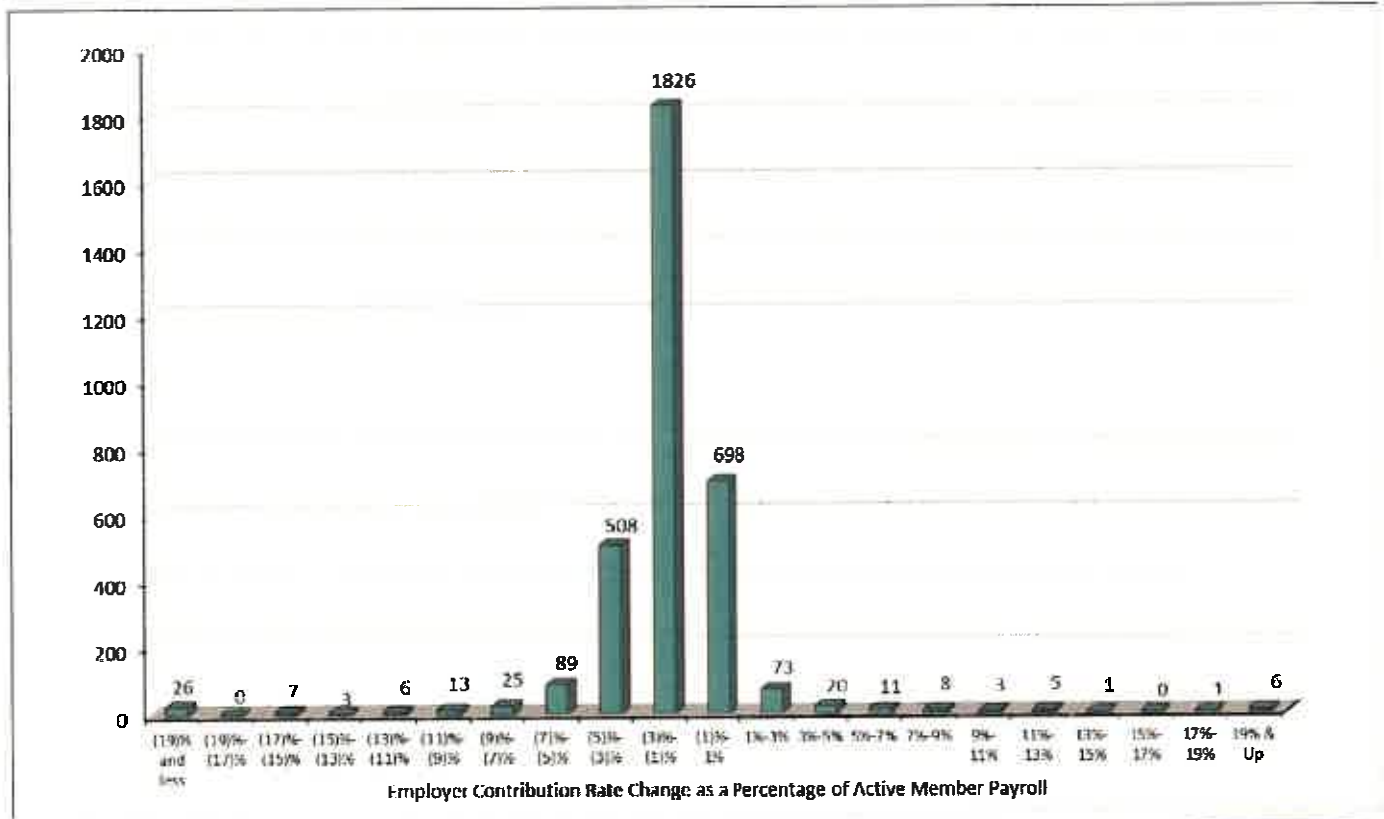
A-4

Funded Ratios for Employer Groups 2017 Actuarial Valuation



A-4

Contribution Rate Changes for Employer Groups – 2017 Actuarial Valuation



A-7

Average Funding Ratios Comparative Statement

Valuation Date	Funded Ratio AVA Basis	Funded Ratio MV Basis	Unfunded Payroll	Accrued Liability Payroll
1995	91.1%	97.5%	25.5%	285.0%
2008*	84.3%	70.3%	64.1%	409.2%
2009	83.2%	81.5%	71.0%	423.2%
2010	83.3%	86.3%	76.3%	455.8%
2011*#	83.0%	80.2%	81.7%	481.4%
2012	84.3%	85.9%	78.7%	501.9%
2013	87.6%	96.6%	64.7%	520.4%
2014*	87.3%	93.0%	70.8%	556.5%
2015	88.4%	87.3%	66.1%	570.7%
2016	88.9%	88.1%	65.4%	590.3%
2017*	92.9%	97.9%	42.0%	591.8%

* Assumption change

Benefit change

A-11



Outlook for 2018 Valuation

- 2018 Valuation affects 2020 contribution rates
- Unrecognized asset gains from smoothing method will drive rates down by about 50 basis points
- Increased number of people subject to post-2011 provisions (Tier 2) will drive rates down by about 10 basis points

Conclusion: If IMRF earns about 7.5% in 2018 and other assumptions are in line with expectations, average 2020 contribution rates may be about 60 basis points lower than average 2019 rates

GAIN (LOSS) ANALYSIS



Gain (Loss) Analysis

- A Gain (Loss) Analysis measures differences between Actual and Assumed Experience in each Risk Area

IMRF Risk Areas

Demographic

Normal retirement

Early retirement

Death-in-service

Disability

Other separations

Economic

Salary increases

Investment return

Change in Unfunded Accrued Liabilities During the Calendar Year 2017

	Unfunded Liability Development During	
	2017	2016
Unfunded Liability January 1	\$4,585,312,875	\$4,573,446,421
(Assumed Payments)	(302,834,136)	(295,381,436)
Assumed Interest	332,679,056	332,065,180
Expected Unfunded Liability December 31	4,615,157,795	4,610,130,165
Change Due to Experience Study	(1,094,615,950)	0
Change Due to Benefit Changes	0	0
Change Due to Data Changes	0	0
Change Due to Investment Experience	(475,485,083)	109,908,168
Change Due to Other Sources	(53,377,418)	(134,725,458)
Actual Unfunded Liability December 31	\$2,991,680,344	\$4,585,312,875
Gain (Loss) for the Year	\$ 1,623,477,451	\$ 24,817,290

Investment Gain (Loss) - \$ Millions

1. Beginning Funding Value	\$36,773
2. Net Cash Flow	(789)
3. Assumed Return	<u>2,728</u>
4. Expected Funding Value: 1+2+3	38,712
5. Actual Funding Value	39,188
6. Gain (Loss): 5-4	476

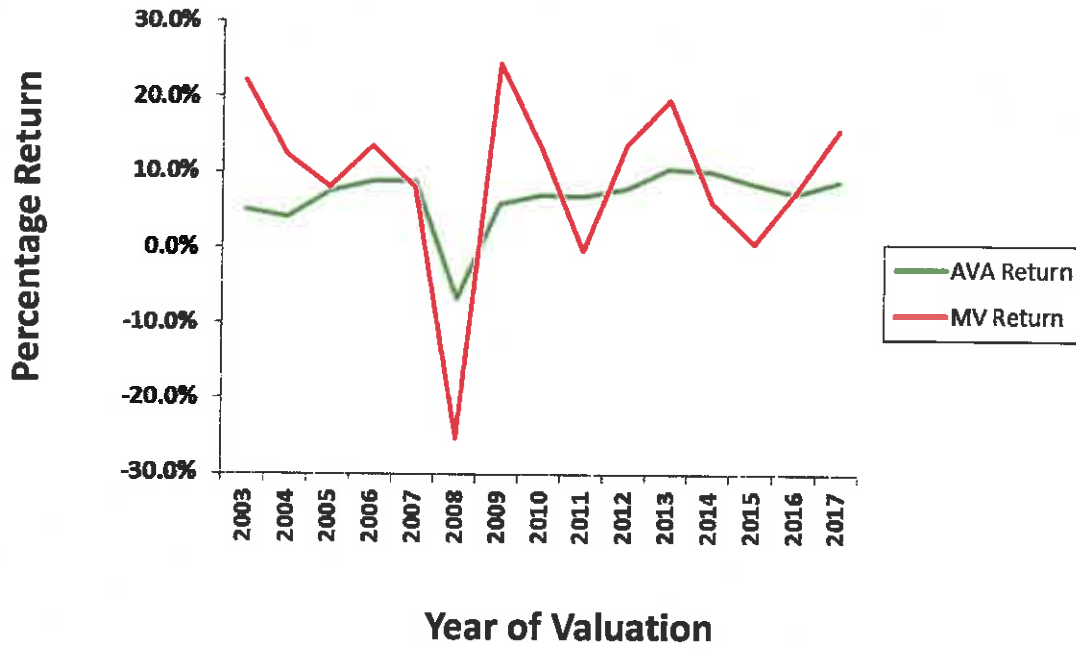
How Does Asset Smoothing Impact Future Valuations

- Difference between Market Value and Funding Value (\$2,124 million) phased-in over next four years

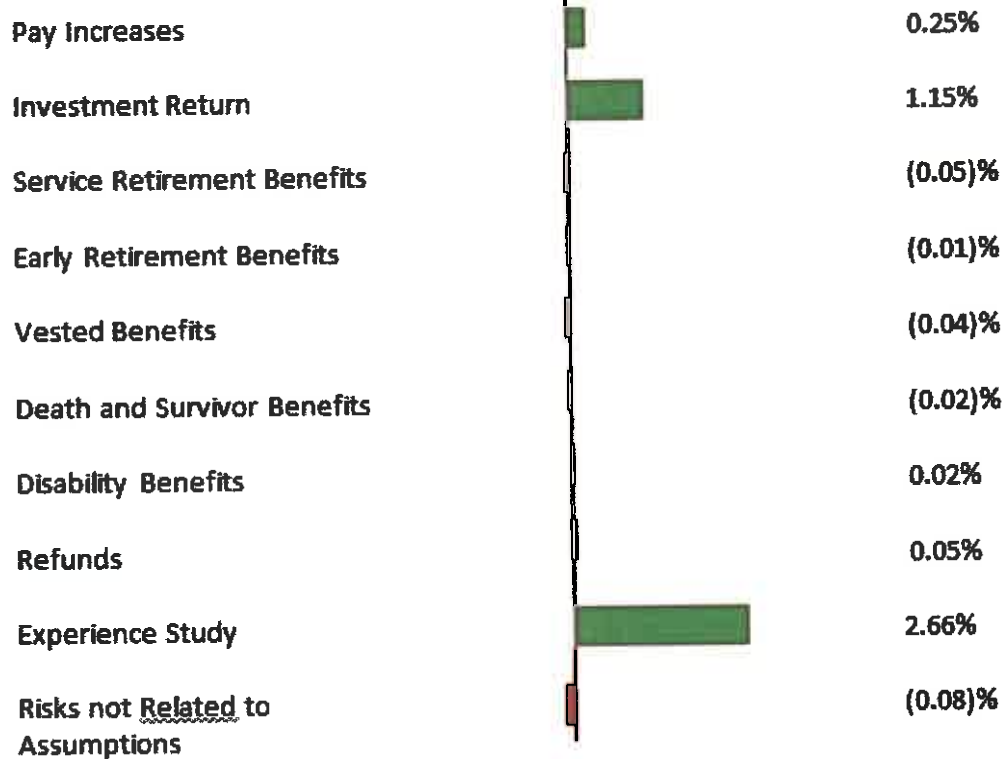
Valuation Date	Scheduled Asset Gain	Potential Contribution Decrease
12/31/2018	\$531,215,977	0.5%
12/31/2019	\$531,215,977	0.5%
12/31/2020	\$531,215,977	0.5%
12/31/2021	\$531,215,978	0.5%

- Assumes Market Value earns 7.5% in the next four years
- Actual results will likely be different

Market Value Return vs. Actuarial Value Return



Gain (Loss) Experience



Experience Gains & Losses by Risk Area - Comparative Statement

Experience Period	Pay Increases	Investment Return	Service Retirement	Early Retirement	Vested Deferred Retirement	Death and Survivor Benefits	Disability Benefits	Terminated with Refund	Experience Study	Other	Total Gain (Loss)	
											\$	Percent of Liabilities
1998	\$ (69.9)	\$ 515.7	\$ 37.8	\$(8.7)	\$ 37.8	\$7.7	\$ 5.7	\$(10.5)		\$ (197.0)	\$ 318.6	2.9 %
1999 ¹	5.5	962.1	(6.8)	(5.1)	(14.6)	0.6	6.4	(21.1)		(168.1)	758.9	6.4 %
2000	12.2	642.5	0.8	(2.8)	(8.7)	1.8	9.8	(22.4)		(89.2)	544.0	4.2 %
2001	(29.5)	69.4	(4.9)	(1.0)	(20.3)	2.9	10.0	11.4		1.4	39.4	0.3 %
2002 ¹	19.5	(611.8)	(9.9)	(2.0)	(31.0)	4.3	6.9	2.3		(66.7)	(688.4)	(4.5)%
2003	36.8	(404.6)	(18.4)	(5.4)	(28.0)	2.3	5.9	10.0		(250.0)	(651.4)	(3.9)%
2004	(0.3)	(478.5)	(14.7)	(5.3)	(27.5)	3.4	7.3	15.8		(183.0)	(682.6)	(3.8)%
2005 ¹	130.0	23.8	(10.4)	(5.0)	(28.3)	1.9	12.0	19.3		(111.2)	32.1	0.2 %
2006	23.5	262.2	(8.6)	(3.4)	(32.7)	2.1	9.4	11.1		(211.7)	51.9	0.3 %
2007	(15.4)	305.8	(8.4)	(2.6)	(35.3)	4.1	10.2	23.2		(170.5)	111.1	0.6 %
2008 ¹	8.2	(3,331.5)	2.4	(2.1)	(40.8)	1.8	11.4	9.1		(40.5)	(3,382.0)	(12.6)%
2009	70.2	(343.2)	11.6	(0.5)	(38.3)	3.5	12.9	(11.8)		(53.5)	(349.1)	(1.4)%
2010	359.6	(90.5)	(0.2)	0.0	(32.3)	3.3	7.3	(0.3)		(442.1) ²	(195.2)	(0.7)%
2011 ¹	238.9	(164.3)	(22.9)	(5.7)	(25.9)	7.3	8.2	19.9	\$ (181.1)	(163.3)	(288.9)	(1.0)%
2012	230.2	71.0	2.0	(3.0)	(24.7)	6.5	20.8	23.8		(89.0)	237.6	0.8 %
2013	141.5	811.5	(11.6)	(2.8)	(22.7)	3.2	15.7	45.1		(74.0)	905.9	2.8 %
2014 ¹	64.2	767.6	(19.3)	(4.9)	(19.7)	(2.2)	17.2	37.9	(1,309.7)	34.9	(434.0)	(1.3)%
2015	22.9	313.2	(28.5)	(4.7)	(16.8)	(3.4)	15.8	33.0		(100.6)	230.9	0.6 %
2016	312.7	(109.9)	(20.2)	(2.6)	(14.1)	(3.3)	12.0	35.7		(185.5)	24.8	0.1 %
2017 ¹	104.3	475.5	(21.8)	(2.6)	(17.8)	(8.2)	9.7	22.4	1,094.6	(32.6)	1,623.5	3.9 %

¹ Includes changes in assumptions due to the Experience Study.

² Includes one-time data changes of approximately \$250 million.

³ Includes Experience Study changes.



Reconciliation of Employer Contribution

	Regular	SLEP	ECO	Total
Prior Year	11.24 %	21.49 %	82.72 %	11.78 %
Experience Study	(1.62)%	(0.13)%	(3.35)%	(1.56)%
Tier 2 Structure	(0.12)%	(0.15)%	0.00 %	(0.12)%
Investment Return	(0.40)%	(0.63)%	(2.72)%	(0.40)%
Pay Increases	(0.10)%	0.23 %	(0.27)%	(0.11)%
Demographic	0.01 %	0.08 %	(0.26)%	0.02 %
Payroll Growth	0.05 %	0.14 %	(7.91)%	0.06 %
Death and Disability Rate Change	(0.02)%	(0.02)%	(0.03)%	(0.02)%
Other	0.02 %	(0.51)%	(1.75)%	(0.03)%
Current Year	9.06 %	20.50 %	66.43 %	9.62 %

Recommendation

- IMRF was 100% funded on average from 1999-2002; the contribution rate plummeted and then went back up.
- IMRF was nearly 100% funded in 2006 and 2007. Contribution rate fell again and went back up.
- IMRF is approaching 100% funding again and contribution rate is falling.
- Recommend that IMRF Board consider actions to preserve 100% funding level once reached.

Conclusion

- IMRF experienced gains in both demographic and economic assumptions in 2017.
- Most employers will experience a rate decrease of at least 1% of payroll. Many will see a decrease of over 3% of payroll.
- IMRF is now 93% funded (98% based on market value); well above national average.
- BUT ... we must be ever vigilant. A 1 Standard deviation asset loss would be equivalent to 78% of payroll!

CHANGING ACTUARIAL STANDARDS “ASOPS”



Actuarial Standards Generally

- Actuarial Standards Board (ASB) develops standards for work in various actuarial practice areas (Life, health, Pension, etc.)
- Our work for IMRF must follow actuarial standards

Pension Actuarial Standards

- ASOP 4: Measuring Pension Obligations
- ASOP 27: Selecting Economic Assumptions
- ASOP 35: Selecting Demographic Assumptions
- ASOP 41: Actuarial Communications
- ASOP 44: Asset Valuation Methods
- ASOP 51: Risk Disclosures (New)

Changes

- ASOPs 4, 27, 35 are being changed
 - Still in “Exposure Draft Form”
 - Might affect IMRF 2019 valuation
- ASOP 51 is new and will affect IMRF’s December 31, 2018 valuation

ASOP 4 Exposure Draft

- New requirement for an Investment Risk Defeasement Measure or “IRDM” whenever a funding valuation is performed
- Seems to be almost the same thing
- Used to be called a “Solvency Measure”
- Probably will have to provide the IRDM for IMRF in total and for any employers with a separate report

IRDM – What is it?

- “Market Based Alternative Liability measurement”
- Calculate Present Value of Accrued benefits
 - “Unit Credit” cost method
 - Based on either US Treasury Yields
 - Or “settlement rates” (e.g. highly rated fixed income debt securities)
 - And other assumptions either from the funding valuation or market data

Controversy

- Public Sector Groups have opposed this calculation for years and probably will continue to do so.
 - Will be a big number that will make even well funded plans like IMRF appear to be severely underfunded.
 - Subject to use/misuse by opponents of Defined Benefit plans.
 - Pension Liabilities cannot legally be “defeased” in most jurisdictions so why calculate a defeasement value?
 - Does not relate to funding.
 - Imposing costs onto the public sector.

Discussion

- Bond rating agencies are using approximations to calculate a version of the IRDM anyway.
 - Might be better to have accurate numbers and have a say in the message.
- The IRDM aids in understanding the extent to which plans depend on risk premium to fund promised benefits.
- The IRDM can assist plans in avoiding unintended risk transfers when employers withdraw, service is purchased, or separate accounts are annuitized.

Other ASOP 4 changes

- Permits level % of pay amortization but encourages payments at least equal to interest on UAL
 - IMRF payments are less than 7.5% of UAL
 - But will exceed it within three years
- Requires calculation of a reasonable “Actuarially Determined Contribution” or ADC
 - IMRF’s ADC is already reasonable
 - This may affect plans with various statutory calculations or assumptions

Other ASOP 4 changes

- Requires a Gain and Loss analysis when a funding valuation is performed
 - Permits a “simplified” Gain and Loss Analysis
 - IMRF work already exceeds this standard
 - Will have to be added to reports for employers with separate valuations
- Requires an affirmative statement that the assumptions are reasonable
 - Not an issue unless they aren’t

ASOP 27 Exposure Draft

- If economic assumption changes are phased in, each step must be reasonable.
 - Not an issue for IMRF.
- Actuary should determine reasonability of economic assumptions at each valuation date.
 - Can't just "set 'em & forget 'em" every three years.
 - Could affect IMRF if return expectations fall materially from present levels.

ASOP 35 Exposure Draft

- If demographic assumption changes are phased in, each step must be reasonable.
 - Not an issue for IMRF.
- Actuary should determine reasonability of demographic assumptions at each valuation date.
 - Can't just “set ‘em & forget ‘em” every three years.
 - Not likely to affect IMRF.

ASOP 35 Exposure Draft

- Regarding mortality Actuary should consider
 - Recently published tables
 - Different assumptions before and after retirement
 - Different assumptions for disabled lives
 - Different assumptions for participant subgroups and beneficiaries
- First three are already in place for IMRF
- We currently use a single mortality table for all participant subgroups and beneficiaries
 - Unlikely that we would apply different mortality to different subgroups because of effect on optional benefits
 - May use a \$ weighted analysis in the next experience study

ASOP 51

- Actuary should identify risks that may affect the plan's future financial condition. For example:
 - Investment risk
 - Asset/liability mismatch risk
 - Interest rate risk
 - Longevity risk
 - Contribution risk
 - Other...

ASOP 51

- Actuary should assess the identified risks
 - Effect on future financial condition
 - Take into account plan specifics
 - Can be qualitative or quantitative

ASOP 51

- Examples of quantitative assessments
 - Scenario tests
 - Sensitivity tests
 - Stochastic modelling
 - Stress tests
 - Comparison of an actuarial from the funding valuation with one calculated using minimal risk investments (IRDM?)

ASOP 51 – Qualitative or Quantitative?

- Small plans may mostly have qualitative assessments to minimize cost
- Larger plans such as IMRF may lean toward periodic quantitative assessments
 - Possible Separate “Risk Report”
 - Could be annual or less frequent with qualitative in between
 - Practice has not yet emerged

ASOP 51

- Disclose various plan maturity ratios
 - Market Value of assets to payroll
 - Retiree liability to total
 - Net cash flow to assets
 - Etc.
- IMRF report already includes extensive maturity measures

Disclaimers

- This presentation is intended to be used in conjunction with the actuarial valuation report issued on March 22, 2018. This presentation should not be relied on for any purpose other than the purpose described in the valuation report.
- This presentation shall not be construed to provide tax advice, legal advice or investment advice.
- If you need additional information in order to make an informed decision, please contact the authors.

Discussion followed.

(18-05-03) (Consent Agenda) The Chair presented an agenda consisting of a Consent Agenda. The following items remained on the Consent Agenda since no Board member asked for their removal.

Approval of Minutes

Regular Meeting 18-23-02
Special Meeting 18-03-01
Special Meeting 18-03-16

Schedules - Dated March

- Schedule A - Benefit award listing of retirement, temporary disability, death benefits, and refund of employee contributions processed during the preceding calendar month under Article 7 of the Illinois Pension Code.
- Schedule B - Adjustment of Benefit Awards showing adjustments required in benefit awards and the reasons therefore.
- Schedule C - Benefit Cancellations.
- Schedule D - Expiration of Temporary Disability Benefits terminated under the provisions of Section 7-147 of the Illinois Pension Code.
- Schedule E - Total and Permanent Disability Benefit Awards recommended by the Fund's medical consultants as provided by Section 7-150 of the Illinois Pension Code.
- Schedule F - Benefits Terminated.
- Schedule G - Administrative Benefit Denials.
- Schedule P - Administrative Denial of Application for Past Service Credit.
- Schedule R - Prior Service - New Governmental Units

Schedules - Dated April

- Schedule A - Benefit award listing of retirement, temporary disability, death benefits, and refund of employee contributions processed during the preceding calendar month under Article 7 of the Illinois Pension Code.
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Schedules - Dated May

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Bids

Adobe LiveCycle Support Renewal
 Approved Bidder: Software House, Inc.
 Approved Bid: \$99,022.00.

Qualys Service Renewal and License True-Up
 Approved Bidder: Konsultek
 Approved Bid: \$66,741.25

OFS Impulse G2 Office Furniture Replacement
Approved Bidder: Forward Space
Approved Bid: \$60,540.40

Participation of New Unit of Government

Tazewell County Consolidated Communications
County: Tazewell
2018 Rate: 7.6%
Effective Participation Date: June 1, 2018
Number of Participating Employees: Zero

El Paso Library District
County: Woodford, McLean and Livingston
2018 Rate: 8.42%
Effective Participation Date: June 1, 2018
Number of Participating Employees: 3

Review of March, April and May Financial Reporting Packages

Statement of Fiduciary Net Position (January 31, 2018, February 28, 2018, March 31, 2018)

Impact of 2018 Year-To-Date Investment Income on Employer Reserves, Funding Status and Average Employer Contribution Rates

Schedule T - Report of Expenditures (February 28, 2018, March 31, 2018, April 30, 2018)

It was moved by Ms. Henry, seconded by Mr. Miller, to approve the Consent Agenda as presented.

Vote: Unanimous Voice Vote
Absent: None

(18-05-03) (1st Quarter Investment Performance Report) Ms. Becker-Wold from Callan Associates presented an evaluation of IMRF's investment performance for the period ending March 31, 2018.

Questions and discussion followed.

(18-05-04) (Investment Manager Activities - Callan Associates) Mr. Ball of Callan Associates presented the following report to the Board on the activities of IMRF's investment managers for the month of April 2018:



Monthly Performance Review

April 2018

Janet Becker-Wold, CFA
Senior Vice President

Ryan Ball, CFA
Senior Vice President

IMRF Performance Highlights

April 2018

- The market value of the Total Fund was \$41.18 billion at the end of April, an increase of \$310.8 million from the prior month.
- The Fund returned 0.53% during the month, leading the 0.33% return of its benchmark.
- Domestic Equity is 5.8% above target.
 - No rebalancing is recommended at this time.
- Domestic and International Equity both produced positive results in April. Domestic outperformed its index while International trailed its index.
 - The IMRF Domestic Equity composite returned 0.81% relative to the 0.38% return of the Russell 3000 Index.
 - The large cap component increased 0.70% (Russell 1000 Index: +0.34%).
 - The small cap component rose 1.01% (Russell 2000 Index: +0.86%).
 - The IMRF International Equity composite returned 1.31% (MSCI ACWI ex-U.S. Index: +1.60%).
- The Fixed Income composite lost 0.54%, 20 basis points ahead of the Bloomberg Aggregate Index (-0.74%).


Economic Overview

April 2018

- The first estimate of first quarter GDP came in at an annualized 2.3%.
- Headline CPI increased 0.2% in April and Core CPI, which excludes food and energy prices, advanced 0.1%. Over the last 12 months, Headline CPI increased 0.1% to 2.5% and Core CPI held steady at 2.1%.
- Non-farm payroll growth came in on the low end of expectations in April.
 - 164,000 jobs were added vs. a consensus of 191,000.
 - The unemployment rate fell to 3.9%.
- Domestic equities were up after falling for two consecutive months (Russell 3000 Index: +0.38%).
 - Small caps outperformed large caps.
- International equities were also up after falling for two consecutive months, outperforming domestic equities (MSCI ACWI ex-U.S. Index: +1.60%).
- Rates rose across the curve, and fixed income struggled overall.
 - Bloomberg Aggregate Index lost 0.74%.
 - Yield on the 10-year Treasury ended April at 2.95%.

Market Overview – Broad Market Index Returns

Periodic Table of Investment Returns
for Periods Ended April 30, 2018



Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex US 1.5%	Russell:2000 Index 0.8%	MSCI:ACWI ex US 15.9%	Russell:1000 Index 10.3%	Russell:1000 Index 12.8%	Russell:2000 Index 9.5%
Russell:2000 Index 0.9%	MSCI:ACWI ex US 0.4%	Russell:1000 Index 13.2%	Russell:3000 Index 10.2%	Russell:3000 Index 12.8%	Russell:3000 Index 9.1%
Russell:3000 Index 0.4%	Russell:3000 Index (0.3%)	Russell:3000 Index 13.0%	Russell:2000 Index 9.6%	Russell:2000 Index 11.7%	Russell:1000 Index 9.1%
Russell:1000 Index 0.3%	Russell:1000 Index (0.4%)	Russell:2000 Index 11.5%	MSCI:ACWI ex US 5.0%	MSCI:ACWI ex US 5.5%	Bimbg/Aggregate 3.6%
Bimbg/Aggregate (0.7%)	Bimbg/Aggregate (2.2%)	Bimbg/Aggregate (0.3%)	Bimbg/Aggregate 1.1%	Bimbg/Aggregate 1.5%	MSCI:ACWI ex US 2.3%

Worst

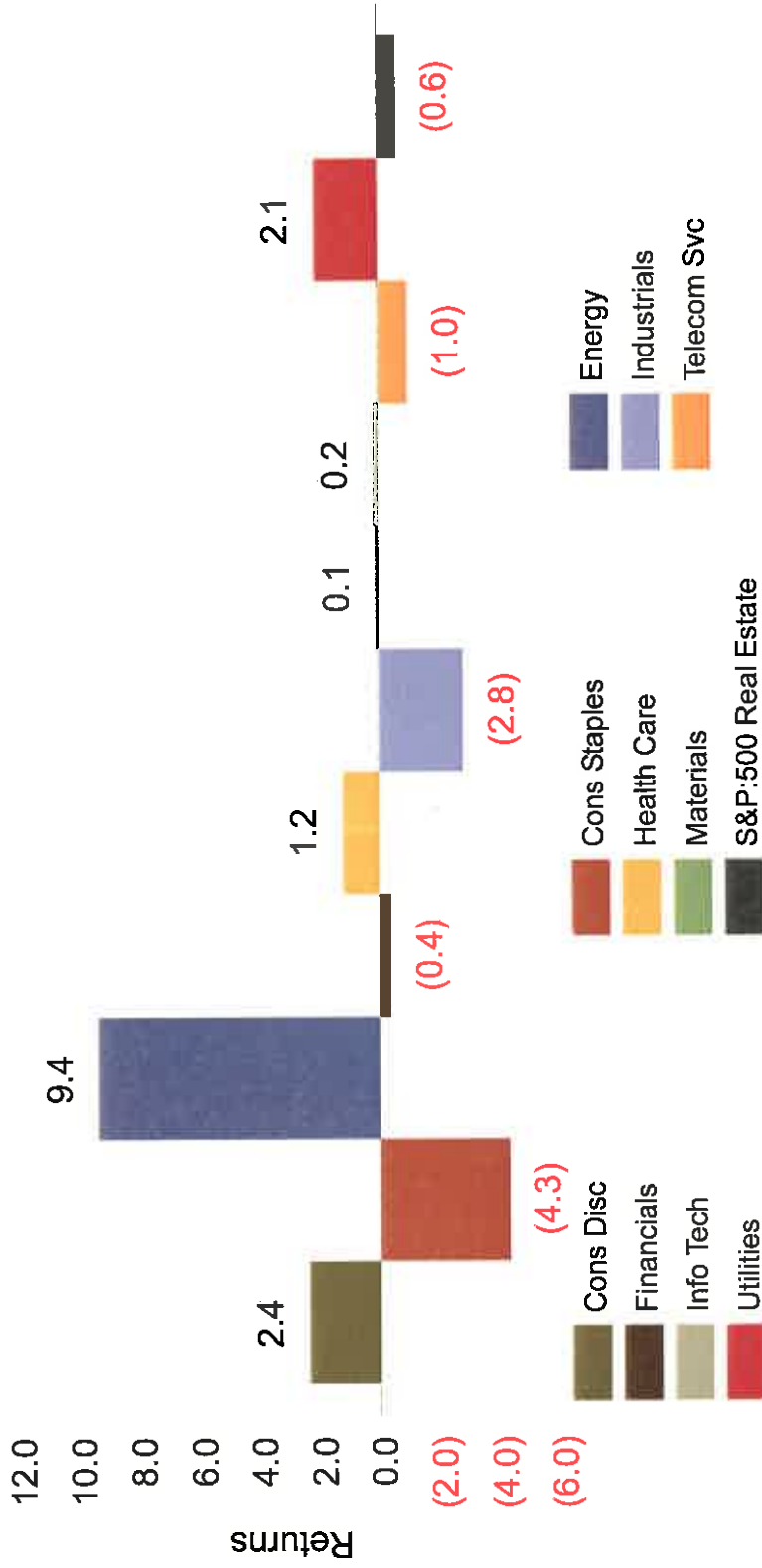
Market Overview – U.S. Equity Returns

Returns for Periods Ended April 30, 2018

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Russell:3000 Index	0.38	(0.27)	13.05	10.20	12.75	9.13
S&P:500	0.38	(0.38)	13.27	10.57	12.96	9.02
Russell:1000 Index	0.34	(0.35)	13.17	10.25	12.84	9.10
Russell:1000 Growth	0.35	1.77	18.96	12.84	15.13	10.81
Russell:1000 Value	0.33	(2.51)	7.50	7.66	10.52	7.30
Russell:Midcap Index	(0.15)	(0.61)	11.17	8.28	11.77	9.48
Russell:2000 Index	0.86	0.78	11.54	9.64	11.74	9.49
Russell:2000 Growth	0.10	2.40	16.60	9.89	13.07	10.41
Russell:2000 Value	1.73	(0.95)	6.53	9.27	10.36	8.46

Market Overview – U.S. Equity Sector Returns

S&P 500 Sector Returns for 1 Month Ended April 30, 2018

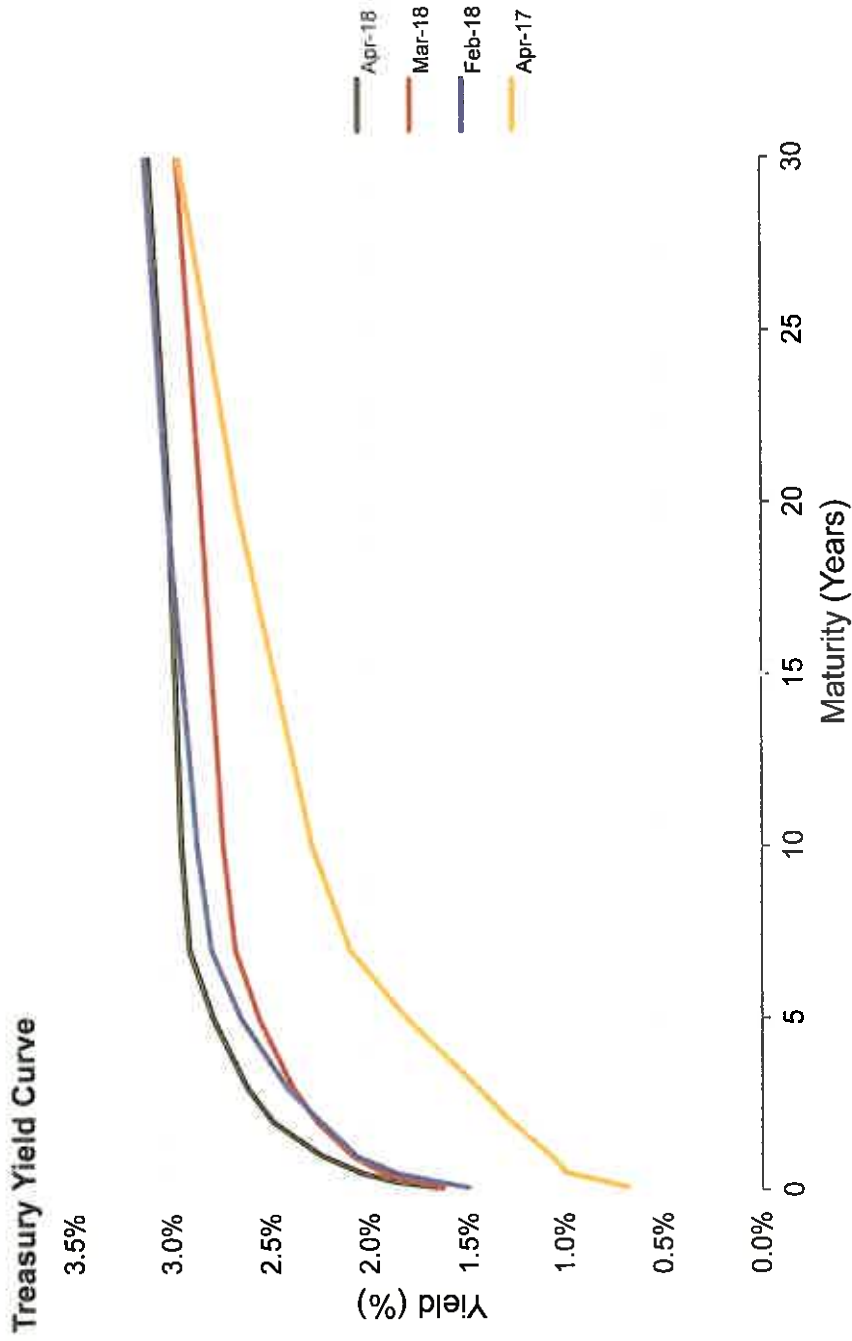


Market Overview – Non-U.S. Equity Returns

Returns for Periods Ended April 30, 2018

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex US	1.60	0.40	15.91	5.01	5.46	2.26
MSCI:ACWIxUS Growth Gross	0.83	0.02	17.81	6.39	6.73	3.12
MSCI:ACWIxUS Val Gross	2.55	1.15	15.12	4.54	5.08	2.29
MSCI:EAFE	2.28	0.72	14.51	4.94	5.90	2.43
MSCI:EAFE Hedged Net	4.57	0.63	10.28	5.42	8.92	4.75
MSCI:EM	(0.44)	0.97	21.71	6.00	4.74	2.17
MSCI:ACWI ex US Small Cap	1.16	0.80	18.44	8.70	8.24	5.33
Regional Returns						
MSCI:Europe	2.77	0.73	13.65	4.26	6.05	1.88
MSCI:Japan	0.67	1.51	19.19	7.35	7.25	3.44
MSCI:Pacific ex Japan	3.11	(0.74)	11.28	4.79	3.06	4.12
MSCI:EM Europe Gross	(4.69)	(2.69)	11.42	3.80	(2.21)	(4.24)
MSCI:Latin Am Free Gross	(1.25)	6.76	18.15	6.48	(1.76)	(1.55)
MSCI:EM Asia Gross	0.10	0.97	24.87	7.40	8.44	4.77

Market Overview – U.S. Treasury Yield Curve



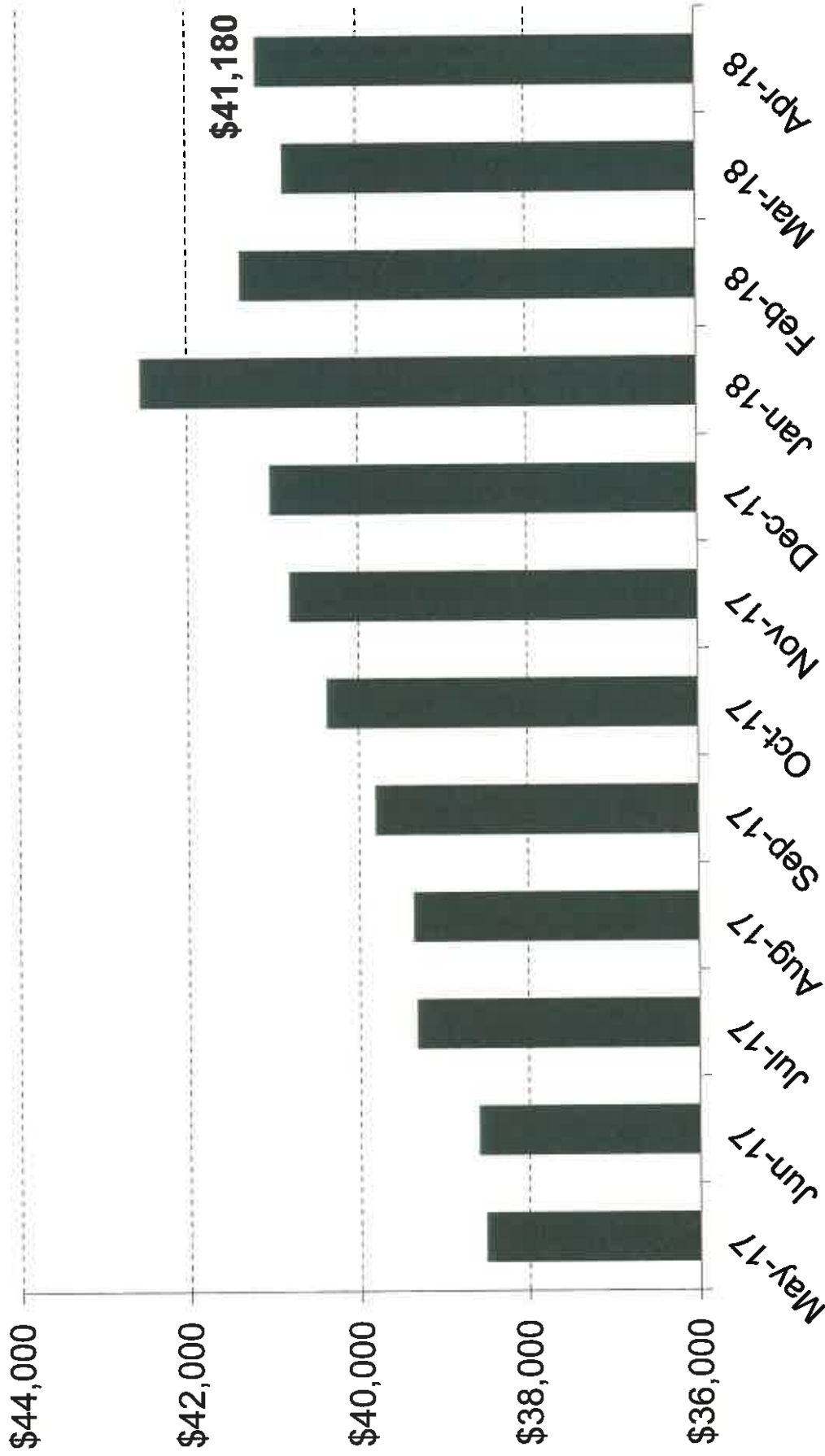
Market Overview – U.S. Fixed Income Returns

Returns for Periods Ended April 30, 2018

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Blmbg:Aggregate	(0.74)	(2.19)	(0.32)	1.07	1.47	3.57
Blmbg:US Government	(0.80)	(1.94)	(1.04)	0.37	0.74	2.77
Blmbg:Credit	(0.91)	(3.02)	0.65	2.05	2.27	4.99
Blmbg:Mortgage Backed Sec	(0.50)	(1.69)	(0.38)	0.94	1.59	3.40
Blmbg:US TIPS	(0.06)	(0.85)	0.27	1.04	(0.12)	3.14
3 Month T-Bill	0.13	0.49	1.17	0.57	0.36	0.34
ML:US High Yield Cash Pay	0.66	(0.28)	3.18	4.98	4.73	7.68
CS:Leveraged Loan	0.49	2.08	4.69	4.19	4.11	5.00
JPM:EMBI Global	(1.46)	(3.22)	0.19	4.28	2.98	6.53
JPM:GBI-EM Global Dvsfd	(2.94)	1.36	8.38	3.39	(1.92)	3.33

IMRF Last 12 Month-End Asset Balances (\$ millions)

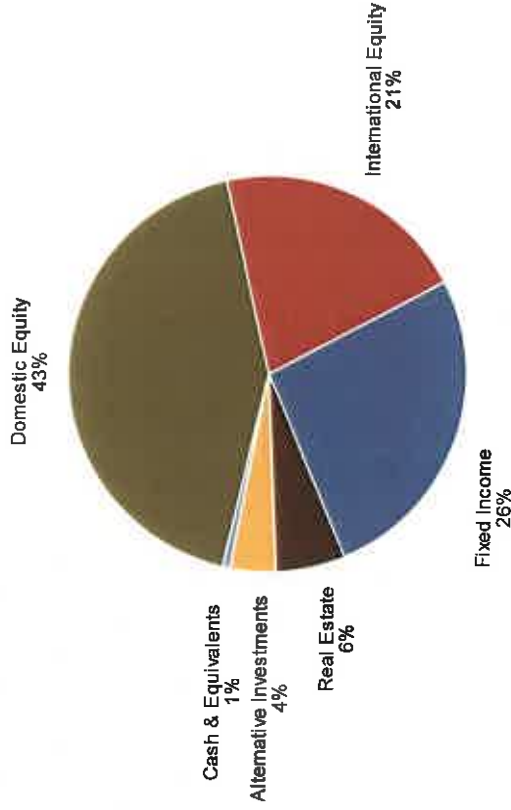
Period ending April 30, 2018



Asset Distribution

Period ending April 30, 2018

Actual Asset Allocation

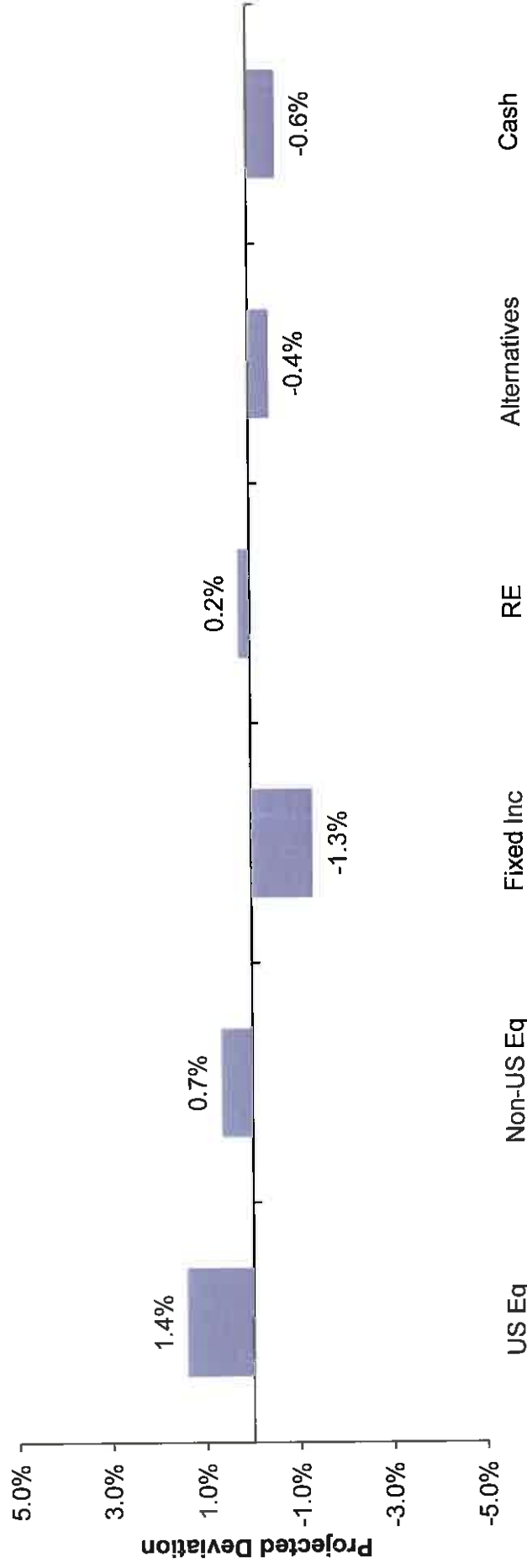


Asset Class	\$Millions Actual	Percent Actual	Percent Target	Percent Difference	\$Millions Difference
Domestic Equity	17,613	42.8%	37.0%	5.8%	2,376
International Equity	8,578	20.8%	18.0%	2.8%	1,165
Fixed Income	10,862	26.4%	28.0%	(1.6%)	(668)
Real Estate	2,353	5.7%	9.0%	(3.3%)	(1,353)
Alternative Investments	1,507	3.7%	7.0%	(3.3%)	(1,375)
Cash & Equivalents	266	0.6%	1.0%	(0.4%)	(146)
Total	41,180	100.0%	100.0%		

Projected Deviation from Benchmark

Period ending April 30, 2018

Projected Asset Allocation Deviation from Benchmark



- Includes committed but unfunded amounts for real estate (\$1,455.3 million) and alternatives (\$1,195.5 million).
- Assumes that outstanding commitments are funded from the overweight asset classes (U.S. equity and non-U.S. equity) in proportion to their respective weights in the Total Fund Target.

Asset Class Composite Returns & Total Fund Return

Periods ending April 30, 2018

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Equity	0.81%	(3.99%)	1.06%	14.15%
Blended Benchmark**	0.38%	(5.26%)	(0.27%)	13.05%
Domestic Equity - Net	0.79%	(4.03%)	1.01%	13.93%
International Equity	1.31%	(4.16%)	1.35%	17.01%
MSCI ACWI x US (Net)	1.60%	(4.90%)	0.40%	15.91%
International Equity - Net	1.30%	(4.24%)	1.25%	16.65%
Fixed Income	(0.54%)	(0.89%)	(1.55%)	1.01%
Blmbg Aggregate Index	(0.74%)	(1.05%)	(2.19%)	(0.32%)
Fixed Income - Net	(0.55%)	(0.91%)	(1.59%)	0.88%
Real Estate	0.72%	1.67%	2.05%	9.78%
Blended Benchmark***	0.65%	1.97%	2.64%	7.29%
Real Estate - Net	0.72%	1.67%	2.05%	9.78%
Alternative Investments	0.57%	2.88%	2.78%	12.03%
Alternatives Custom Benchmark****	0.72%	2.18%	2.91%	9.00%
Alternative Investments - Net	0.53%	2.81%	2.70%	11.83%
Private Equity	0.75%	3.59%	3.55%	15.16%
Alternatives Custom Benchmark****	0.72%	2.18%	2.91%	9.00%
Agriculture	0.00%	(0.06%)	(0.54%)	(3.98%)
Blended Benchmark***	0.65%	1.97%	2.64%	7.29%
Timberland	(0.89%)	(0.82%)	(1.06%)	5.18%
Blended Benchmark***	0.65%	1.97%	2.64%	7.29%
Unlisted Infrastructure	0.00%	-	-	-
Alternatives Custom Benchmark****	0.72%	2.18%	2.91%	9.00%
Total Fund	0.53%	(2.66%)	0.54%	10.57%
Total Fund - Net	0.52%	(2.71%)	0.48%	10.34%
Total Fund Benchmark	0.33%	(2.75%)	(0.15%)	8.67%
		+0.19%	-0.04%	+0.63%
				+1.67%
				Excess Return Net of Fees

See full Monthly Performance report for explanation of notes. Performance for Alternatives and Real Estate are preliminary.

(18-05-05) (Audit Committee Meeting) The Chair of the Audit Committee reported on the meeting held on May 18, 2018.

She stated IMRF's internal auditors, RSM, presented the RSM SOC-1 Type 2 Report for the period January 1, 2017 through December 31, 2017, and issued an Unqualified Opinion.

Next, RSM presented information on their work on the 2017 Financial Statement Audit, including a document that outlined RSM's responsibilities under generally accepted auditing standards. It was noted that the fieldwork on the Financial Statements, the Schedule of Changes in Fiduciary Net Position by Employer and the Census Attestation was complete and no proposed audit adjustments or control findings were brought to the Committee's attention.

The Chair of the Audit Committee stated that IMRF's Chief Audit Officer reported on the completion of the 2017 internal audit plan including completion of 205 employer audits during 2017.

The Committee held private sessions with IMRF's external auditor and IMRF's Chief Audit Officer.

Lastly, the Chair of the Audit Committee stated that IMRF's Chief Financial Officer presented the 2017 Comprehensive Financial Statement Report (CAFR) to the Committee, noting the report was final and included an Opinion letter. Trustee Kuehne requested that in the future, an exhibit of the five-year smoothing table be added to the Actuarial section of the CAFR.

It was the consensus of the Audit Committee to recommend the Board approve the 2017 Comprehensive Financial Statement Report (CAFR) as presented.

After questions and discussion, it was moved by Ms. Stanish, seconded by Mr. Wallace, to approve the recommendation of the Audit Committee.

Vote: Unanimous Voice Vote
Absent: None

(18-05-06) (Benefit Review Committee Meeting) The Chair of the Benefit Review Committee reported on the Benefit Review Committee Meeting held on May 17, 2018.

It was moved by Mr. Miller, seconded by Ms. Thompson, to accept the following recommendations of the Benefit Review Committee:

- To proceed with the Hearing of David Benson as scheduled, but to leave the matter open in order to allow the members of the Committee time to review the late materials submitted by the Employer before the Committee renders its final decision.
- To adopt the findings and conclusion of the IMRF hearing officer in the case of Jeffrey Boyd.
- To adopt the findings and conclusion of the IMRF hearing officer in the case of Williamson County.
- To adopt the findings and conclusion of the IMRF hearing officer in the case of Christopher Karr.
- To adopt the findings and conclusion of the IMRF hearing officer in the case of Steven Ballard.

- To adopt the findings and conclusion of the IMRF hearing officer in the case of Roberta Herakovich.
- To table the decision on the matter of Blake Lindner and request the hearing officer attend the August 23, 2018 Benefit Review Committee Meeting to further explain her findings and conclusion.
- To adopt the findings and conclusion of the IMRF hearing officer in the case of Kathleen McNamara.

Vote: Unanimous Voice Vote

Absent: None

(18-05-07) (Report of the Investment Committee Meeting) The Chair of the Investment Committee reported on the meeting held May 17, 2018.

The Investment Committee heard a presentation from a Private Equity manager, Vista Equity Partners Fund VII, L.P., followed by recommendations from staff.

It was the consensus of the Investment Committee to recommend the Board approve the following recommendations:

For Private Equity

- Authorize a commitment of up to \$100 million to Vista Equity Partners Fund VII, L.P., subject to satisfactory legal due diligence; and
- Authorize staff to complete all documentation necessary to execute this recommendation.

Next, staff and consultant gave a presentation of the Private Equity Separate Account Manager Search that included recommendations and presentations from two Private Equity Separate Account managers (Goldman Sachs and HarbourVest Partners). Following the manager presentations, the Chief Investment Officer presented Valor M33 II, L.P.

It was the consensus of the Investment Committee to recommend the Board approve the following recommendations:

For Private Equity Separate Account Manager Search and Other Private Equity Fund

- authorize an evergreen separate account with Goldman Sachs, with an initial commitment of up to \$100 million and additional annual commitments consistent with IMRF's Strategic Plan, subject to satisfactory legal due diligence;
- authorize an evergreen separate account with HarbourVest Partners, with an initial commitment of up to \$200 million and additional annual commitments consistent with IMRF's Strategic Plan, subject to satisfactory legal due diligence;
- authorize Staff to determine the future annual commitments to the evergreen separate accounts with Goldman Sachs and HarbourVest Partners consistent with IMRF's Strategic Plan;
- authorize a commitment of up to \$50 million to Valor M33 II, L.P., subject to satisfactory legal due diligence; and,
- authorize Staff to complete all documentation necessary to execute these recommendations.

Lastly, staff and consultant presented the 2017 Annual Real Estate Portfolio Performance.

It was moved by Ms. Henry seconded by Mr. Wallace to approve the recommendations of the Investment Committee.

Vote: Unanimous Voice Vote
Absent: None

(18-05-08) (Approval Trustee Election Procedures) General Counsel presented the attached materials concerning the 2018 Executive Trustee Election. They include a proposed 2018 Executive Trustee Election Schedule; General Memorandum - IMRF Trustee Election Fact Sheet; Nominating Petition Forms; Biographical Information Form and, a memorandum regarding judges and clerks for the 2018 Executive Trustee Election. IMRF employers will elect one Executive Trustee for a five-year term beginning January 1, 2019.

2018 EXECUTIVE TRUSTEE ELECTION SCHEDULE

MAY 18, 2018

The Board of Trustees will approve the 2018 Executive Trustee Election Schedule, nominating petition forms, biographical information form, and election rules at the May Board Meeting. The Board will also appoint election judges and clerks. This election is for one Executive Trustee for a five-year term.

MAY 18, 2018 – DECEMBER 14, 2018

All election information requests will be directed to the Executive Director, Communications Manager, or Legislative Liaison and will be documented in a Candidate Contact log. Staff will not disclose any specific information regarding candidates before candidates have been certified in September. No election information, other than what is available on the IMRF website, will be provided to third parties, except as required by the Freedom of Information Act (FOIA). No quantities of IMRF materials (e.g. benefit booklets and forms) will be provided to candidates, including incumbent candidates. No candidates may campaign during IMRF training sessions for employers, members, and annuitants.

JUNE 8, 2018

IMRF staff will solicit bids for the printing of the Executive Trustee ballots.

JUNE 28, 2018

IMRF staff will open and review the bids for the printing of the Executive Trustee ballots.

JUNE 29, 2018

The IMRF website will be updated with all election information, including nominating petitions, election rules, and candidate biography forms.

JULY 13, 2018

The IMRF Employer Digest will announce the Executive Trustee Election.

AUGUST 1, 2018 - SEPTEMBER 17, 2018

Nominating petitions and biography forms for Executive Trustee will be accepted in the Fund offices. Petition forms must be received by IMRF no later than 4:30 PM on September 17, 2018. Candidates are encouraged to submit their biography forms as soon as three petition forms are received, and no later than September 17, 2018.

SEPTEMBER 18, 2018

IMRF staff will verify the Executive Trustee nominating petitions by this date.

SEPTEMBER 19, 2018

The Executive Director will confirm nominees for one Executive Trustee position. If only one candidate is certified as a nominee, then that candidate will be submitted to be confirmed as Executive Trustee for the new term.

SEPTEMBER 19, 2018

The envelope order (artwork, specifications, etc.) will go to the printer. We will also send the vendor the ballot mailing date.

SEPTEMBER 19, 2018

IMRF staff will send letters to all candidates who submitted nominating petitions informing them whether or not they will be on the ballot. The Executive Trustee candidates will be provided the names of the other candidates. The nominees will also receive a proof of their biography for correction and comment. Final changes or corrections to the proofs are due back by September 24, 2018.

OCTOBER 1, 2018*

IMRF staff will send the ballot to the printer. Also, the two Authorized Agent address electronic files will go to the mailing vendor (Governing Body employers and Authorized Agent employers) after staff reviews the quality of the address format. Candidate information will be posted on the IMRF web site.

OCTOBER 5, 2018

Checklists will be completed for staff to bring to the mail house for the ballot assembly observation.

OCTOBER 8-9, 2018*

Staff will observe ballot assembly at the mail house vendor. Final date will be determined by the mail house.

OCTOBER 10, 2018*

The Executive Trustee ballots will be mailed after staff reviews samples to verify print quality and addressing accuracy. Mailings will be directed to the Authorized Agent or Governing Body as appropriate. IMRF staff will verify each employer's certification on the ballot envelope as completed ballots are received at the IMRF office.

OCTOBER 12, 2018*

If an election will be held for the Executive Trustee, the IMRF *Employer Digest* will include an overview of the procedures for the Executive Trustee election. Otherwise, the *Digest* will include information on the new Executive Trustee.

DECEMBER 11, 2018*

Voted Executive Trustee ballots must be received at the Oak Brook office by 4:30 PM. Staff will pick up any final ballots from the post office at 4:30 PM.

DECEMBER 12, 2018*

IMRF staff will tabulate the Executive Trustee ballots and a final vote tally will be prepared. All candidates will be notified by telephone of the final vote tally. Written notice of the final vote tally will also be mailed by certified mail, return receipt requested, to all candidates. Each candidate will also receive notice of IMRF's Recount Procedures.

DECEMBER 14, 2018*

The IMRF Board of Trustees will certify the results of the 2018 Executive Trustee Election at the December Board Meeting. IMRF staff will notify candidates of the results by phone and mail a written notice of the certification to all candidates, including information on recount procedures.

DECEMBER 14, 2018*

Staff will post the election results on the IMRF web site and send a General Memo with election results to employers after 5:00 p.m.

DECEMBER 31, 2018

IMRF staff will ensure that email addresses on the IMRF Public Email Inbox are updated, including the addition of the email address for any new Trustee.

***These items will not be required if there is only one eligible candidate certified by the Executive Director in September.**

GENERAL MEMORANDUM #XXX

To: All Authorized Agents
Subject: 2018 Executive Trustee Election
Date: June 29, 2018

In November, IMRF employers will elect one Executive Trustee for a five-year term. The five-year term will run from January 1, 2019, through December 31, 2023.

You can obtain information on nominating procedures, qualifications, sample petitions, and a biographical questionnaire by visiting the Board of Trustees area of the IMRF website, by sending us a secure message, or by calling an IMRF Member Services Representative at IMRF's employer-only number, 1-800-728-7971, Monday through Friday, 7:30 AM to 5:30 PM.

The State Officials and Employees Ethics Act includes prohibitions against political activity during work hours. It is our opinion that these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

Sincerely,



Brian Collins
Executive Director



IMRF Executive Trustee Election

Board meetings are held at least quarterly. Some Board committees meet every month in which there is a Board meeting; others meet less frequently or as needed. Trustees serve without compensation but are reimbursed for expenses incurred while attending meetings.

Terms and conditions of office

In November, IMRF employers will elect one Executive Trustee for a five-year term. The five-year term of office will run from January 1, 2019, through December 31, 2023.

Nominating procedures—petitions

The petitions explain the nominating procedures for Executive Trustee. Nominating petitions for Executive Trustee candidates can be submitted either by Authorized Agents or by governing bodies of IMRF employers. Regardless of who submits the nominating petitions, at least three petitions must be submitted.

If an Authorized Agent submits a nominating petition, his or her notice of appointment must be on file with IMRF, and the notice of appointment must indicate that the governing body has delegated the power to make such nomination to the Authorized Agent.

If a governing body files a petition, the petition must be adopted by the governing body and certified by the clerk or other proper official.

Petitions for Executive Trustee candidates will be accepted in the IMRF Oak Brook and Springfield offices between August 1, 2018, and the close of business at 4:30 PM CST, September 17, 2018. **Mail, hand deliver, scan and email (IMRFTrusteeElection@imrf.org), or fax (630-706-4656) the completed petitions to IMRF, ATTN: IMRF Trustee Petitions.**

If you scan the petitions and email them to IMRF or if you fax the petitions to IMRF, please call IMRF's employer-only line at 1-800-728-7971 to confirm that they were received.

Petitions postmarked on or before September 17, 2018, but received after that date will not be accepted.

The State Officials and Employees Ethics Act includes prohibitions against political activity during work hours. It is our opinion these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering IMRF member signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

On September 19, 2018, formal notice will be sent to all candidates who submitted nominating petitions informing them whether they will be on the ballot. Executive Trustee candidates will also be provided the names of the other candidates at that time.

Qualifications

A nominee for Executive Trustee must be employed by an IMRF employer as a chief executive officer, chief finance officer, or other officer, executive, or department head. The nominee must also participate in IMRF and be vested in IMRF (Tier 1 members should have at least eight years of IMRF service credit; Tier 2 members should have at least 10 years of IMRF service credit) as of December 31, 2018.

Executive Trustee ballots

Ballots, along with candidates' biographies, will be mailed to Authorized Agents or governing bodies as appropriate on October 10, 2018, and must be returned by the close of business at 4:30 PM CST, December 11, 2018.

Authorized Agents may only vote if their Notice of Appointment filed with IMRF indicates they have been given such authority. Otherwise, the governing body would cast the ballot, and the clerk or other proper official would certify the ballot.

New Trustee orientation

It is critical for the sound governance of IMRF that Trustees be fully informed with regard to IMRF's nature, purposes, structure, operational systems, and processes. To that end, the newly elected Trustee will participate in an in-depth New Trustee Orientation Program designed to fully inform them of IMRF's key functions and their responsibilities as Trustee. The Program is more fully described in the IMRF Board Candidate Packet, available in the Board of Trustees area of the IMRF website.

The Illinois Governmental Ethics Act requires individuals serving as IMRF Trustees to file a written statement of economic interest annually.



NOTICE TO AUTHORIZED AGENTS

June 29, 2018

NOMINATION OF EXECUTIVE TRUSTEE

Petitions for Executive Trustee candidates will be accepted in the IMRF Oak Brook and Springfield offices between August 1, 2018, and the close of business at 4:30 PM CST, September 17, 2018. Mail, hand deliver, scan and email (IMRFTrusteeElection@imrf.org), or fax (630-706-4656) the completed petitions to IMRF, ATTN: IMRF Trustee Petitions. Petitions postmarked on or before September 17, 2018, but received after that date will not be accepted.

One Executive Trustee will be elected for a five-year term, commencing January 1, 2019. Trustees meet at least quarterly and frequently more often. Trustees serve without compensation but are reimbursed for their expenses, including lost wages if they are not paid by their employer during absences while performing IMRF Board duties.

A nominee for Executive Trustee must be employed by a participating governmental unit in the capacity of chief executive officer, chief finance officer, or other officer, executive, or department head. The nominee must also be a participating member and be vested with IMRF (eight years of service credit for Tier 1 members, 10 years of service credit for Tier 2 members) as of December 31, 2018. Service forfeited by acceptance of a refund of member contributions and not reinstated is not considered for the vesting requirement.

Nominations must be by petition: (1) adopted by the governing body and certified by the clerk or other proper official of the IMRF employer, or (2) submitted by an Authorized Agent whose Notice of Appointment, on file with IMRF, indicates that the Authorized Agent has been delegated the power to make such nomination. Petitions by at least three participating municipalities or participating instrumentalities are necessary to nominate a candidate.

The State Officials and Employees Ethics Act includes prohibitions against political activity during work hours. It is our opinion that these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

FORM OF PETITION

I hereby certify that the _____
Governing Body IMRF Employer

- 1. By a resolution duly passed by the governing body
- 2. By virtue of the power delegated to its Authorized Agent in a notice on file with the Fund, hereby petitions

that _____ residing at _____
Name of Employee Street

_____ occupying the position of _____
City Title

with _____ be a candidate for the office of Executive Trustee of the
Name of Employer

Illinois Municipal Retirement Fund for a five-year term of office beginning January 1, 2019.

_____ Date Signature

_____ Title



Illinois Municipal Retirement Fund
2018 Executive Trustee Election—Biographical Information

page 1 of 3

- **Return this completed form with your signed petitions** to IMRF, ATTN IMRF Trustee Petitions, 2211 York Rd., Ste. 500, Oak Brook, IL 60523-2337 or fax to 630-706-4656.
- If you prefer, you can email your biography and scans of your signed petitions to **IMRFTrusteeElection@imrf.org**.
- IMRF must receive your petitions and biography form **no later than 4:30 PM CST, Monday, September 17, 2018.**
- We suggest you submit your biography form as soon as you obtain the required signatures on your petitions.
- After IMRF receives your completed biography form, you will receive a proof of your biography as it will appear in the newsletter. Changes to your biography can be made at that time.
- Sample biographies can be found on page 3.

The information you provide will be used to create your biography, which will appear on the ballot and IMRF’s website. Your biography will be faxed or emailed to you for your approval.

How would you like to receive a copy of your biography for review? Email Fax

Name _____ Date _____

_____ BUSINESS ADDRESS _____ PHONE _____

_____ HOME ADDRESS _____ PHONE _____

_____ EMAIL ADDRESS _____ FAX _____

IMRF participating positions

Current Position

Job Title _____ Employer _____

Length of service

in this position _____ FROM _____ TO _____ with this employer _____ FROM _____ TO _____

Current job duties — Generally, the description of your current job duties should not exceed 50 words. Please include total number of persons supervised and the name and title of your supervisor.

Previous IMRF positions

Job Title _____ Employer _____
Length of service
in this position _____ FROM _____ TO _____ with this employer _____ FROM _____ TO _____

Job Title _____ Employer _____
Length of service
in this position _____ FROM _____ TO _____ with this employer _____ FROM _____ TO _____

Job Title _____ Employer _____
Length of service
in this position _____ FROM _____ TO _____ with this employer _____ FROM _____ TO _____

Other pertinent information

Not more than 80 words.

Other experience, training, or qualifications supporting your candidacy; and/or any goals, objectives, or views you would endorse or pursue as a Trustee. You may consider answering some of the following questions. *Providing responses to these questions is **optional**; they are provided only as a guide.*

1. Why are you running for Executive Trustee?
2. What do you hope to accomplish as an Executive Trustee?
3. How will your experience as an IMRF member help you in your role as an Executive Trustee?
4. How will your prior work experience help you in your role as an Executive Trustee?
5. What are the key issues surrounding public pensions? How should they be addressed?
6. What key issues surrounding public pensions should an IMRF employer be concerned with?

Sample Candidate Biography

page 3 of 3

(Maximum available space shown below)

Executive Trustee Sample Bio

Executive Trustee Candidate Name
500 N. Anywhere Ave.
Anywhere, Illinois 60004

Current Position — Director of
Administrative Services, Village of Anywhere.

Length of Service — With the Village of
Anywhere since May 1977, in this position
since September 1991; Secretary/
Administrative Intern with the Village of
Anywhere Park from November 1973 to May
1977.

Duties — As Director of Administrative
Services, I am a Department Head reporting
directly to the Village Administrator. In this
position, I am responsible for organization-
wide (125 full-time employees, including
Public Works, Parks and Recreation,
Library, Clerical, Police and Fire) personnel
administration including recruitment, hiring,
employee records, collective bargaining,
employee benefit plan and health insurance
administration, risk management, general
liability and workers' compensation
insurance, cable television franchise
administration, special management studies,
and research and program development
initiated by the department or Board of
Trustees.

Other Pertinent Information — As the
IMRF Authorized Agent for the Village of
Anywhere for 11 years, I have assisted
members with problems on disability and
retirement claims on numerous occasions. I
am seeking this position to work to improve
the quality of service provided to IMRF
participants.

MEMORANDUM

TO: BOARD OF TRUSTEES
FROM: BONNIE SHADID
DATE: 5/10/2018
RE: APPROVAL OF TRUSTEE ELECTION JUDGES AND CLERKS

Executive Summary

The Board appoints staff to serve as judges and clerks to administer the 2018 Executive Trustee Election.

Background

IMRF staff administers the process for electing IMRF Trustees. Election judges coordinate various activities and make administrative decisions allowing for a smooth election process. The clerks are responsible for completing specific activities during the election process. The Board appoints staff to these positions for purposes for administering the Trustee election.

Recommendation

Staff recommends that the Board approve the appointment of the following IMRF staff members to serve as judges and clerks for the 2018 Trustee election.

Judges: Bonnie Shadid
Brandi Smith

Clerks: Tamika Harrington – Chief Clerk
Rick Baier
Erin Cochran
Larice Davis
Jennifer Ellison
Helen Huang
John Krupa
Victoria Lane
Anne-marie Lilly
Michael Nesson
Denise Streit
Keyla Vivas

(18-05-13) (Legislative Update) General Counsel updated the Board on current legislative activity.

General Counsel reported that the General Assembly's Spring 2018 session is scheduled to adjourn on May 31, 2018. Two bills that affect IMRF have passed both Houses (Senate Bill 2884 (Senator Martinez) - would allow for electronic voting options for the Employee and Annuitant Trustee elections; Senate Bill 3119 (Representatives Althoff and Zalewski) - would tighten restrictions on participation by former police chiefs who return to the same employer in similar capacity).

She further reported that House Bill 4413 (Representative Ammons) - would require all Board meetings, including committee meetings, be available via live stream on the Fund's website via high speed internet has not yet been assigned to a committee.

Discussion followed.

(18-05-14 (Litigation Update)) The following is an update of the currently pending or recently concluded litigation:

IN RE TRIBUNE CO, ET AL. , THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF TRIBUNE CO, ET AL. VS. FITZSIMONS, ET AL.

Summary: The unsecured creditors in the Tribune bankruptcy sued investors who sold their Tribune stock at the time of the buyout by the Sam Zell group. The plaintiff's theory is that the buyout was fraudulent and therefore a portion of those stockholders' proceeds from the stock sale was due to the fraud and should be returned to the Tribune's bankruptcy estate.

Status: The stockholders' motion to dismiss the intentional fraudulent transfer claim was granted on January 6, 2017 and the claim against them was dismissed. Another portion of this claim against the stockholders was previously dismissed on motions and that decision was upheld on appeal.

The Court has granted the creditors motion for an order allowing an appeal of the January 6 decision, notwithstanding that claims against other defendants remain to be litigated. The U.S. Supreme Court issued an order in early April stating that the petition for certiorari would not be ruled upon for a period of time which may result in something being filed by plaintiffs in the lower court.

KATHLEEN KONICKI V. IMRF (14 MR 32) (4-17-0056) (SANGAMON CO/ FOURTH DIST. APPELLATE COURT)

Summary: Administrative review challenging the Board's decision that Ms. Konicki was not eligible to convert service into Original ECO.

Status: On March 2, 2018, the Fourth District Appellate Court upheld the IMRF Board's decision finding that the law clearly did not allow Plaintiff to participate in Original ECO and that the law creating Revised ECO did not violate the Pension Protection Clause. Plaintiff has filed a petition for leave to appeal to the Illinois Supreme Court. We are awaiting the Supreme Court's decision on Plaintiff's petition.

MOTORS LIQUIDATION COMPANY AVOIDANCE ACTION TRUST VS. JP MORGAN CHASE, ET AL. (US BANKRUPTCY CT., SO. DIST. OF N.Y.)

Summary: This is an adversary action stemming from the General Motors bankruptcy. A loan in which IMRF was an investor was paid off after the bankruptcy filing. It was later discovered that an error, before the bankruptcy, had released part of the security. A group of unsecured creditors sued to force the recipients of the loan pay-off proceeds to return them.

Status: The parties are currently litigating the value of the remaining security, which if it is sufficient would end the case. We are sharing our defense counsel with several other public pension funds.

THERESA MILLER V. IMRF (16 MR 58 MONROE COUNTY)

Summary: This is an administrative review of the Board's decision to deny total and permanent disability benefits to Ms. Miller.

Status: On April 6, 2018, the Circuit Court upheld IMRF's decision. On May 3, 2018, the Plaintiff filed her Notice of Appeal to the Fifth Circuit Appellate Court. Once the Plaintiff files the record on appeal, a briefing schedule will be entered.

CARRIE MCHUGH V. IMRF (17 MR 135 KANE COUNTY)

Summary: This is an administrative review of the IMRF Board's decision adopting the recommendation of the IMRF hearing officer which found that Ms. McHugh was ineligible for disability benefits due to a voluntary termination of her employment with the City of Aurora.

Status: A briefing schedule has been set in this case. Plaintiff's Brief in Support of her Complaint for Administrative Review is due April 13, 2018; IMRF's Response Brief is due May 29, 2018; Plaintiff's Reply Brief is due June 19, 2018; and a hearing on the case will be set thereafter.

JOSHUA PEA V. IMRF (ST. CLAIR COUNTY 17 MR 1380)

Summary: This is an administrative review of the IMRF Board's denial of total and permanent disability benefits.

Status: This matter has been fully briefed. We are awaiting a hearing date from the court.

LSR v. IMRF (SANGAMON COUNTY 2017 MR 782)

Summary: This is an administrative review of staff's termination of a member's total and permanent disability benefits. The member did not appeal the staff determination, so a hearing was not held before the BRC.

Status: The Plaintiff's Motion for Default Judgment was denied on April 9, 2018 because IMRF complied with the Administrative Review Law. Plaintiff's brief is due May 18, 2018. IMRF's brief is due June 18, 2018. A hearing will be set thereafter.

ROSEMARIE MOLAS v. IMRF (U.S. EEOC 440-2017-05688)

Summary: This is an EEOC charge of retaliatory discharge by a former employee.

Status: At the request of the Plaintiff, the EEOC has ended its investigation and issued a Right to Sue letter. Plaintiff failed to file a lawsuit within 90 days of the Right to Sue letter, so the statute of limitations has run on this claim. Any claim that we receive will be subject to a motion to dismiss.

JAMES SWEENEY, ET AL v. IMRF, ET AL (U.S. DISTRICT CT FOR NORTHERN DIST. OF ILL. 2018 CV 1410)

Summary: This is a case alleging that mandatory participation in IMRF is a violation of First Amendment.

Status: Plaintiffs filed their First Amended Complaint on March 19, 2018. Outside counsel filed a motion to dismiss on April 20, 2018. Rather than respond to the Motion to Dismiss, the Plaintiffs have chosen to amend their Complaint once more. The Second Amended Complaint is due May 22, 2018.

THOMAS SHEAHAN v. MEABF AND IMRF (COOK COUNTY 2017 CH 14040)

Summary: This is a case in which the Plaintiff is attempting to reinstate creditable service with the MEABF as a result of the prior Village of Oak Brook v. Sheahan and Sheahan v. IMRF litigation. IMRF was recently added as a co-defendant. MEABF also filed a crossclaim against IMRF for payment of interest on the disputed funds.

Status: IMRF has filed motions to dismiss Plaintiff's Complaint and MEABF's cross-claim. A briefing schedule has been set. Plaintiff's and MEABF's responses to the motions are due May 21, 2018 and IMRF's reply brief is due June 4, 2018. A hearing date will be scheduled thereafter.

Trustee Henry left the meeting at 12:05 p.m.


(18-05-15) (Report of Executive Director)

The Executive Director discussed possible legislation regarding the consolidation of Downstate Police & Fire Pension Funds. He noted that the General Assembly is not expected to make a decision regarding any type of consolidation this year.

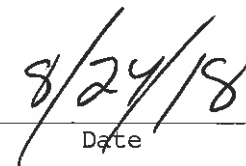
Board Members asked that staff gather information regarding the pros and cons of consolidation and report back to them at the August Board Meeting.

(18-05-16) (Adjournment) It was the moved by Ms. Thompson, seconded by Mr. Kuehne, to adjourn the Board Meeting at 12:15 p.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on August 24, 2018.

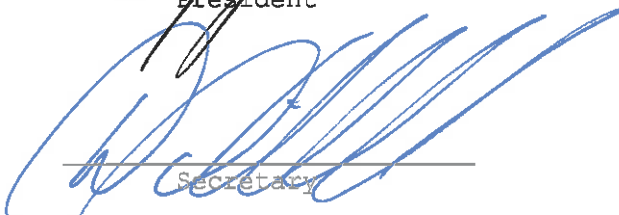
Vote: Unanimous Voice Vote
Absent: Henry




President



Date



Secretary



Date

